

Agency 85 - Public Employees Retirement Board

Statutory Authority:

The laws governing the Public Employees Retirement Board and each Retirement Plan under its administration are as follows:

Retirement Board - 84-1501 to 84-1513

County Employees Retirement Act - 23-2301 to 23-2334

Judges Retirement Act - 24-701 to 24-714

School Employees Retirement Act - 79-901 to 79-977.03

Nebraska State Patrol Retirement Act - 81-2014 to 81-2040

State Employees Retirement Act - 84-1301 to 84-1333

Vision Statement:

The Vision of the Nebraska Public Employees Retirement Board and Staff is "To administer the various retirement systems in an efficient, accurate and trustworthy manner, while providing timely service to our plan members."

We are grateful for the support of the Governor and the Legislature as we implemented our information system, particularly as workload increased with more members retiring each year. Many baby-boomers are reaching their sixties, and so the timing of our system implementation could not have been better.

Mission Statement:

"The Nebraska Public Employees Retirement System recognizes the importance of a successful retirement and is dedicated to providing the highest quality service necessary to assist members in achieving this goal."

Our agency exists to administer pension benefits for nearly 100,000 active and retired public employees who have dedicated many years to the service of the citizens of the State of Nebraska. Our operations are funded with pension assets and so as fiduciaries we take our responsibilities seriously. Our focus is to seek continuous improvement in our service to members through timely benefit processing and retirement preparation and education all of which is made possible by a foundation of accurate data and well trained staff.

Goals:

Our Agency Goals are:

1. To operate our agency efficiently and responsibly in order to maintain the trust of our plan members, our plan employers and the separate branches of government and the public as a whole.
2. To guard the integrity of our systems assets and the accuracy and security of our systems data.
3. To provide ongoing informational and educational opportunities for our members in a timely manner.
4. To administer each retirement plan under our administration in full compliance with applicable federal and state laws.

Financial Data:

	Actual FY06	Approp FY07	Request FY08	Recom FY08	Request FY09	Recom FY09
General Fund	17,796,465	32,203,573	32,184,637	19,475,478	32,184,637	20,103,630
Cash Fund	6,527,109	6,773,311	10,716,827	10,537,328	8,702,115	8,599,319
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	24,323,574	38,976,884	42,901,464	30,012,806	40,886,752	28,702,949

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Program 041 - Retirement Systems Administration

Program Objectives:

To meet the Agency and Program 041 goals during this biennium our objectives are to:

1. Complete a needed programming language change to our PIONEER system by migrating from Forte to JAVA within the next two years.
2. Train our technology staff to maintain our PIONEER system once the migration is completed.
3. Assign Deputy Director duties to an existing manager as part of the Board's succession plan.
4. Request that State Personnel review the classification of the technology staff, an administrative position, an accounting position and two clerical positions as a result of added responsibilities in each position.
5. Require customer service and management training on a scheduled basis.
6. In all areas seek accuracy, efficiencies and excellence for our members.

Financial Data:

	Actual FY06	Approp FY07	Request FY08	Recom FY08	Request FY09	Recom FY09
General Fund	0	0	0	0	0	0
Cash Fund	6,506,514	6,736,877	10,680,393	10,513,228	8,665,681	8,575,219
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	6,506,514	6,736,877	10,680,393	10,513,228	8,665,681	8,575,219

Performance Measures:

Based on our agency/program objectives we have the following performance measures in place:

1. Process member retirement benefits within 30-45 days of final pay.
2. Work closely with agencies and employers to maintain accurate data within our PIONEER system in order to improve the response time to our member requests to a week or less.
3. Train our technology team; our customer service staff and our managers in order to control technology costs, provide better service and to improve internal staff relations.
4. Continue member/employer training seeking efficiencies throughout our training programs.
5. Improve financial audits; reviewing internal controls; completing written procedures.
6. Continue our effort to control agency expenses without compromising service to members.

Despite our improved technology we must counsel members by phone, in person and during our retirement seminars. Members need updated publications, booklets, and instructions on how to prepare for retirement. We do not foresee a reduction in staff despite the efficiencies we have realized. We now need to have staff to maintain our information system and keep it current. The foundation of all we do relies on accurate data and a well-trained staff who knows how to use it.

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Program 042 - Board Member Expenses

Program Objectives:

The primary objective of program 042 is to separately account for the expenses incurred by Retirement Board members in the performance of their duties. These include, travel and board and lodging expenses associated with our monthly board meetings and a recently added per diem for their services during board meetings and other board committee work required. Board membership is now at eight members plus the ex-officio membership of the State Investment Officer.

Financial Data:

	Actual FY06	Approp FY07	Request FY08	Recom FY08	Request FY09	Recom FY09
General Fund	0	0	0	0	0	0
Cash Fund	20,595	36,434	36,434	24,100	36,434	24,100
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	20,595	36,434	36,434	24,100	36,434	24,100

Performance Measures:

1. The Board will seek to educate its members in the least expensive manner, but understands the need to meet with other pension representatives, necessitating occasional travel.
2. When new members are appointed they will be required to attend a basic course in public pension systems sponsored by the International Foundation of Employee Benefits.
3. All conference travel requests must be approved by the affirmative vote of five members of the Board and must be submitted 30 days in advance.
4. Up to three existing Board members will be allowed to attend an educational conference per year. Travel outside the forty-eight contiguous United States will require the affirmative vote of at least six members.
5. Any Board member who attends a conference paid for in whole or in part by the Retirement System funds shall present a report to the Board at the next regular meeting following the member's return.

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Program 515 - Funding

Program Objectives:

The law stipulates the annual rate of pension funding required by the State:

1. State Service Annuity - Sections 79-966 and 79-9,100 - School and Omaha Retirement Plans.
2. COLA benefits - Sections 79-940 - 79-947.02; 79-975; 81-2017 (1); 81-2027.03 & 81-2027.04; 81-2035; 81-2036; 24-703 (9); 24-710(4); 24-710.07 & 24-710.08 - School, Patrol and Judges Retirement Plans.

Financial Data:

	Actual FY06	Approp FY07	Request FY08	Recom FY08	Request FY09	Recom FY09
General Fund	17,796,465	32,203,573	32,184,637	19,475,478	32,184,637	20,103,630
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total	17,796,465	32,203,573	32,184,637	19,475,478	32,184,637	20,103,630

Performance Measures:

Each year the actuary under contract to the Retirement Board completes a valuation of the plan assets and liabilities for the School, Judges and Patrol plans. The actuary relies on member data and financial statements provided him by the Retirement Office after the plan year ends on June 30th. This same process will occur in 2007 for the funding needed for the fiscal year beginning July 1, 2008.